

Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, Plans and Policy Staff

DATE: 19 May 1949

FROM : Chief, Programs Division

SUBJECT: Semi-Monthly Report

REFERENCE: Memoranda from Chief, S/PP to Deputy Chief, S/PP dated 20 April 1949,
Subject: Plans and Policy Staff Semi-Monthly Reporting.

1. a. Work Completed During the Period

(1) Completed final analysis of the Intelligence Production Requirements submitted by the various components of ORE.

(2) Finished draft of ORE Operating Procedure No. 11 outlining policies and procedures for ORE support for the Public Affairs Overseas Program Staff (POS) of the State Department's office of International Information (OII). The draft has been coordinated with the Analysis Division of S/PP and has been submitted to the Deputy Chief, S/PP for approval.

b. Work in Progress

(1) The draft plan for the establishment of overt collection machinery abroad was submitted informally to Mr. Childs of ICAPS for his reaction as a Foreign Service Officer. Mr. Childs approved of the plan and pushed ahead to secure the approval of [REDACTED] Admiral Hillenkoetter and to undertake negotiations with the Department of State. Mr. Babbitt has been advised of developments and has been in contact with Mr. Childs to emphasize ORE's interests in the project.

(2) Cities Project - State has indicated informally that it will be able to undertake the portion of the cities project allotted to it. Final arrangements as to operating procedures are still being negotiated between SO, OIR, B/EE, B/Ma, and S/PP.

(3) External Research - The Programs Division has participated in the discussions of the Assistant Director's Sub-Committee on External Research. This committee is preparing recommendations for the Assistant Directors on the coordination of CIA's interests in the External Research Program. Committee meetings have involved a large portion of the time of [REDACTED]

[REDACTED] It is believed that the Committee will probably make its final report during the next two weeks.

25X1A9a

25X1A9a

25X1A9a

(4) International Communism - Conferences have been held with [REDACTED] on the International Communism Project. The branch nominations of representatives have all been received and it is proposed that a meeting will be called under Mr. Rabbitt's chairmanship to launch the ORE-wide organization. In the meantime, the group has conducted eminently satisfactory negotiations with OIR in the allocation of work responsibility.

(5) Formulation of Production Program - A highly satisfactory meeting was held with Captain Watts and other members of Far East/Pacific Branch to discuss the branch's Intelligence Production Program. It was evident that the branch thinking was in accord with that of the Programs Division. Far East/Pacific Branch is now preparing a break-down of their proposed production program into more specific sections. Once this break-down is finished, it will be discussed with the interested components of ORE with a view to eventual submission to the IAC agencies and the NSC.

c. Problems arriving out of S/PP Operations

25X1A9a

The following emergent problem came up in a recent discussion with [REDACTED] of G/EC. Some time ago the ECA requested the NSRB to prepare a series of reports on world supplies and world reserves of certain strategic materials. In January 1949 the NSRB issued confidential reports on lead, copper and cobalt in answer to this request. These reports were prepared by an interdepartmental group with representation from all pertinent departments and agencies of the Federal Government, under the chairmanship of the NSRB. The CIA was not represented in this group.

Although a whole series of such reports were requested by the ECA, it seems that no others are in preparation or contemplated at this time, possibly because of the cumbersome and unwieldy nature of the interdepartmental group required to produce them.

Since the ECA request was for basic intelligence involving a coordinated interdepartmental production effort, it seems fairly obvious that ORE/CIA should have been the echelon primarily responsible for doing this job; namely, for mobilizing the entire economic intelligence facilities of the Federal Government, for allocating subordinate production and collection responsibilities, for coordinating and editing component parts, and for publishing the final reports.

It might be advisable even at this late date to enter into discussions with ECA and the NSRB with a view to reviving the project and taking over its leadership. In any event, this matter again points to the urgent need of establishing machinery within ORE/CIA for producing basic research studies other than those in the geographical NIS series.

One answer might be to issue functional NIS studies, for instance on

economic topics such as strategic materials. Such a series, covering the sixty-odd strategic materials listed by the JCS, would be urgently needed in the event of war. Its preparation now would probably save several millions of dollars which a rushed preparation in the event of a sudden emergency would cost, and would also result in a much better and sounder job.

